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Committees:
Education
Appropriations
State Government

New Medicare Prescription Drug Coverage 34th DISTRICT November 2005

Dear neighbors,

You've probably heard about the federal government's new Medicare prescription drug benefit that starts on January 1, 2006. It's called "Medicare Part D."

As long as you are already on Medicare, you are eligible to enroll in this program, regardless of your income or resources.

Although enrollment is voluntary, most beneficiaries will have to make choices to avoid losing opportunities for savings or protections. These choices must be made between Nov. 15, 2005 and May 15, 2006. Enrolling before December 31 will ensure faster coverage, and you should know there are penalties for enrolling after May 15.

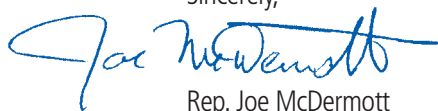
Many senior citizens and others have complained that the new "Medicare Part D" program is complicated and confusing. Please remember this is a federal program passed by the U.S. Congress. If you have complaints about the program, we urge you to contact your Member of Congress.

We're sending this newsletter because we want senior citizens and other Medicare beneficiaries to have information that will help them sort through the complicated choices in the Medicare Part D program. Despite its complications, the program can help you save money on prescription drugs, and should not be ignored.

This guide will help you learn more about what the program is and how it will work. It also shows where you can get more free information to help you make good choices for yourself and your family.

And remember, if you have questions, comments or ideas for new state laws, please let us know. We're getting ready for the 2006 legislative session and your input helps us serve you better.

Sincerely,


Rep. Joe McDermott




Rep. Eileen Cody



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Getting Started:

The new prescription drug coverage includes a variety of plans. Ease the decision-making process by preparing early. Grab some paper and a pen, and gather the information that will help you make the best educated choice:

- Make a list of all the medications you currently take, the dosage and how much you're paying for them.
- Make another list with the names, addresses and phone numbers of the pharmacies where you purchase your medicines.
- If you already have prescription drug coverage, compare it with various Medicare Prescription Drug Plans and see if one of them saves you more than your current coverage.
- Ask around. Talk to your family members, friends, pharmacists and doctors to get their thoughts on the best plan for you and make notes so you can compare later.
- Keep all this information in one place so you can have it handy when you enroll for coverage beginning November 15, 2005.

Medicare Part D Guidelines

If you join Medicare Part D there will be a monthly premium and your prescription costs will vary depending on the particular drug plan you choose. In more detail:

- Your monthly estimated premium will be \$32.00 to \$40.00; the exact premium amount will depend upon which prescription drug plan you choose.
- You'll pay a \$250 annual deductible.

- You'll then pay the remaining 25% of the next \$2,000.
- After the \$2,000, you'll pay the 100% of the next \$2,850.
- Catastrophic coverage (95% paid by Medicare) begins after you've paid \$3,600 of out-of-pocket expenses.
- On average, you'll be saving about 50% on your total costs for drugs, even after paying your monthly premium and co-payments.
- Your benefits may vary depending on your income.
- Your premium may increase annually.

Extra Help for Low-Income Individuals

Low-income Medicare beneficiaries who sign up for the Part D subsidy will be able to enroll in a plan that will not charge them a monthly premium. But be careful about which plan you choose, as some may still charge a premium.

- **If you're on Medicaid and Medicare, you will receive these benefits if you enroll in a plan. If you don't choose a plan, you'll be automatically enrolled and you can change plans later.**

- No annual deductible.
- You'll co-pay \$1 for generic and \$3 for brand name drugs up to \$3,600 out-of-pocket.
- After \$3,600 out-of-pocket, Medicare pays all your other drug costs.
- **If your income is below \$12,919 (individual) or \$17,320 (couple) AND Your resources are less than \$6,000 (individual) or \$9,000 (couple):**
 - No annual deductible.
 - You pay \$2 for generic and \$5 for brand-name drugs.
 - After \$5,100 out-of-pocket, Medicare pays all your other drug costs.

- **Your resources are between \$6,000-\$10,000 (individual) or between \$9,000-\$20,000 (couple):**
 - Monthly premium of \$0 to \$24 (depending upon your income)
 - Your deductible for the first year is \$50 (This amount will increase annually)
 - After the first \$50, you pay 15% of drug costs up to \$5,100.
 - After \$5,100 out-of-pocket, you pay \$2 for generic and \$5 for brand-name drugs.
- **If your income is between \$12,919 and \$14,355 (individual) or \$17,320 and \$19,245 (couple) AND your resources are less than \$10,000 (individual) or \$20,000 (couple):**
 - Monthly premium of \$0 to \$24 (depending upon your income)
 - Your deductible for the first year is \$50 (This amount will increase annually)
 - After the first \$50, you pay 15% of drug costs up to \$5,100.
 - After \$5,100 out-of-pocket, you pay \$2 for generic and \$5 for brand-name drugs.

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Need More Info?

You can get more information to choose the best coverage plan to suit your needs:

- State Insurance Commissioner's SHIBA line: 1-800-562-6900, <http://www.insurance.wa.gov/consumers/medicare/medprescriptdrugs.asp>
- Go to www.medicare.gov or call the Medicare Helpline: 1-800-MEDICARE (1-800-633-4227) TTY 1-877-486-2048
- For questions about eligibility, contact the Social Security Administration: www.socialsecurity.gov 1-800-772-1213 TTY 1-800-325-0778

Dates to Keep in Mind

- **November 15, 2005 through May 15, 2006**
Open Enrollment for Medicare Part D
- **December 31, 2005** — The existing Medicare Endorsed Drug Discount Card comes to an end.
- **January 1, 2006** — The Medicare Part D Prescription Drug Benefit goes into effect.
- **May 16, 2006** — Monthly premium will increase for people who enroll after the end of the open enrollment period.